WHAT IS CLAIMED IS:

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- 1. A method for introducing one or more mutations into a template double-stranded polynucleotide, wherein the template double-stranded polynucleotide has been cleaved into double-stranded random fragments of a desired size, comprising:
- a) adding to the resultant population of double-stranded fragments one or more single or double-stranded oligonucleotides, wherein said oligonucleotides comprise an area of identity and an area of heterology to the template polynucleotide;
- b) denaturing the resultant mixture of double-stranded random fragments and oligonucleotides into single-stranded fragments;
- c) incubating the resultant population of single-stranded fragments with a polymerase under conditions which result in the annealing of said single-stranded fragments at regions of identity between the single-stranded fragments and formation of a mutagenized double-stranded polynucleotide; and
 - d) repeating steps (b) and (c).
- 2. The method of Claim 1 wherein the concentration of a specific double-stranded fragment in the mixture of double-stranded fragments is less than 1% by weight of the total DNA.
- 3. The method of Claim 1 wherein the number of different specific double-stranded fragments comprises at least about 100.
- 4. The method of Claim 1 wherein the size of the doublestranded fragments is from about 5 bp to 5 kb.
- The method of Claim 1 wherein the size of the mutagenized double-stranded polynucleotide comprises from 50 bp to 100 kb.
 - 6. A method of producing recombinant proteins having biological activity comprising:
 - a) treating a sample comprising double-stranded template polynucleotides encoding a wild-type protein under conditions which provide for the cleavage of said template polynucleotides

- d) incubating the resultant population of single-stranded fragments with a polymerase under conditions which result in the annealing of said single-stranded fragments at the areas of identity and formation of a mutagenized double-stranded polynucleotide;
- e) repeating steps (c) and (d); and

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- 20 f) expressing the recombinant protein from the mutagenized double-stranded polynucleotide.
 - 7. The method of Claim 6 wherein the concentration of a specific double-stranded fragment in the mixture of double-stranded fragments in step (a) is less than 1% by weight of the total DNA.
 - 1 8. The method of Claim 6 where the number of different specific double-stranded fragments in step (a) comprises at least about 100.
 - 1 9. The method of Claim 6 wherein the size of the double2 stranded fragments is from about 5 bp to 5 kb.
 - 1 10. The method of Claim 6 wherein the size of the mutagenized double-stranded polynucleotide comprises from 50 bp to 100 kb.
 - 1 11. The method of Claim 6 further comprising selecting the 2 desired recombinant protein from the population of recombinant 3 proteins.
 - 1 12. A method for obtaining a chimeric polynucleotide comprising:
 2 a) treating a sample comprising different double-stranded

polynucleotides contain areas of identity and areas of heterology

under conditions which provide for the cleavage of said template

polynucleotides into random double-stranded fragments of a

7 desired size;

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- b) denaturing the resultant random double-stranded template fragments contained in the treated sample produced by step (a) into single-stranded fragments;
- c) incubating the resultant single-stranded fragments with polymerase under conditions which provide for the annealing of the target single-stranded fragments at the areas of identity and the formation of a chimeric double-stranded polynucleotide sequence comprising template polynucleotide sequences; and
 - d) repeating steps (b) and (c) as desired.
- 13. The method of Claim 12 wherein the concentration of a specific double-stranded fragment in the mixture of double-stranded fragments in step (a) is less than 1% by weight of the total DNA.
- 1 14. The method of Claim 12 where the number of different 2 specific double-stranded fragments in step (a) comprises at least about 100.
- 1 15. The method of Claim 12 wherein the size of the double-2 stranded fragments is from about 5 bp to 5 kb.
- 16. The method of Claim 12 wherein the size of the mutagenized double-stranded polynucleotide comprises from 50 bp to 100 kb.
- 17. A method of replicating a template polynucleotide which method comprises combining in vitro single-stranded template polynucleotides with small random single-stranded fragments resulting from the cleavage and denaturation of the template polynucleotide, and incubating said mixture of nucleic acid fragments in the presence of a nucleic acid polymerase under conditions wherein a population of double-stranded template polynucleotides is formed.

- 18. A method for generating libraries of displayed peptides or displayed antibodies suitable for affinity interaction screening or phenotypic screening, the method comprising:
- (1) obtaining a first plurality of selected library members comprising a displayed peptide or displayed antibody and an associated polynucleotide encoding said displayed peptide or displayed antibody, and obtaining said associated polynucleotides or copies thereof wherein said associated polynucleotides comprise a region of substantially identical sequence, and
- (2) pooling and fragmenting said associated polynucleotides or copies to form fragments thereof under conditions suitable for PCR amplification, performing PCR amplification, and thereby homologously recombining said fragments to form a shuffled pool of recombined polynucleotides, whereby a substantial fraction of the recombined polynucleotides of said shuffled pool are not present in the first plurality of selected library members.
- 19. The method of claim 18, further comprising introducing mutations into said polynucleotides or copies.
- 20. The method of claim 19, wherein the mutations are introduced by performing PCR amplification.
- 21. The method of claim 20, wherein the PCR amplification is error-prone PCR.
- 22. The method of claim 18, comprising the additional step of screening the library members of the shuffled pool to identify individual shuffled library members having the ability to bind with a predetermined macromolecule.
- 23. The method of claim 18, wherein the first plurality of selected library members is obtained by selecting for a phenotypic characteristic other than binding affinity for a predetermined molecule.
- 24. The method of claim 18, wherein the first plurality of selected library members is pooled and fragmented and

homologously recombined by PCR in vitro.

- 25. The method of claim 18, wherein the first plurality of selected library members is pooled and fragmented in vitro, the resultant fragments transferred into a host cell or organism and homologously recombined to form shuffled library members in vivo.
- 26. The method of claim 18, wherein the first plurality of selected library members is cloned or amplified on episomally replicable vectors, a multiplicity of said vectors is transferred into a cell and homologously recombined to form shuffled library members in vivo.
- 27. A method for generating libraries of displayed peptides or displayed antibodies suitable for affinity interaction screening or phenotypic screening, the method comprising:
- (1) obtaining a first plurality of selected library members comprising a displayed peptide or displayed antibody and an associated polynucleotide encoding said displayed peptide or displayed antibody, and obtaining said associated polynucleotides or copies thereof wherein said associated polynucleotides comprise a region of substantially identical sequence, and
- (2) cloning or amplifying said associated polynucleotides or copies on episomally replicable vectors and transferring a multiplicity of said vectors into a cell and homologously recombined to form shuffled library members in vivo.
- 28. The method of claim 27, further comprising introducing mutations into said polynucleotides or copies thereof.
- 29. The method of claim 27, wherein said episomally replicable vectors comprise a direct repeat of a plurality of associated polynucleotides or copies thereof.
- 30. A method for generating libraries of displayed antibodies suitable for affinity interaction screening, the method comprising:
 - (1) obtaining a first plurality of selected library members.

comprising a displayed antibody and an associated polynucleotide encoding said displayed antibody, and obtaining said associated polynucleotides or copies thereof, wherein said associated polynucleotides comprise a region of substantially identical variable region framework sequence, and

- (2) pooling and fragmenting said associated polynucleotides or copies to form fragments thereof under conditions suitable for PCR amplification, performing PCR amplification, and thereby homologously recombining said fragments to form a shuffled pool of recombined polynucleotides comprising novel combinations of CDRs, whereby a substantial fraction of the recombined polynucleotides of said shuffled pool comprise CDR combinations are not present in the first plurality of selected library members.
- 31. The method of claim 30, comprising the additional step wherein the shuffled pool is subjected to affinity screening to select shuffled library members which bind to a predetermined epitope and thereby selecting a plurality of selected shuffled library members.
- 32. The method of claim 31, comprising the additional step of shuffling the plurality of selected shuffled library members and screening, from 1 to about 1000 cycles.